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10 **UNITED STATES DISTRICT COURT**
11 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

12 HIDDEN EMPIRE HOLDINGS, LLC; a
13 Delaware limited liability company; HYPER
14 ENGINE, LLC; a California limited liability
15 company; DEON TAYLOR, an individual,

16 Plaintiffs,

17 v.

18 DARRICK ANGELONE, an individual;
19 AONE CREATIVE LLC, formerly known
20 as AONE ENTERTAINMENT LLC, a
21 Florida limited liability company; and ON
22 CHAIN INNOVATIONS LLC, a Florida
23 limited liability company,

24 Defendants.

Case No. 2:22-cv-06515-MWF-AGR

*Assigned to the Hon. Judge Michael W.
Fitzgerald*

**DEFENDANTS AND
COUNTERCLAIMANTS'
MEMORANDUM OF CONTENTIONS
OF LAW AND FACT**

Pretrial Conference: December 22, 2025

Trial Date: January 13, 2026

Time: 8:30 AM

Dept.: 5A

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MEMORANDUM OF CONTENTIONS OF LAW AND FACT

I. PLAINTIFFS' CLAIMS

A. Summary of Claims Plaintiffs Intend to Pursue

Plaintiffs Hidden Empire Holdings, LLC; Hyper Engine, LLC; and Deon Taylor ("Plaintiffs") assert nine causes of action against Defendants Darrick Angelone, AONE Creative, LLC, and On Chain Innovations, LLC ("Defendants"). Plaintiffs' causes of action fall into four categories: (1) breach of contract; (2) federal claims under the Computer Fraud and Abuse Act ("CFAA"); (3) state claims under California's Computer Data Access and Fraud Act ("CDAFA"); and (4) common-law and statutory intellectual-property claims (conversion and copyright infringement).

Namely, Plaintiffs intend to pursue the following claims at trial:

Claim 1 – Breach of Contract: Plaintiffs allege Defendants breached contractual obligations arising out of an April 26, 2012 agreement with AONE Creative LLC's predecessor in interest, AONE Entertainment LLC, in which AONE was engaged design, develop and manage HEFG's websites and related media properties.

Claims 2–4 – Violation of the Federal Computer Fraud and Abuse Act (18 U.S.C. §§ 1030(a)(2)(C) & (a)(5)): Plaintiffs allege Defendants intentionally accessed Plaintiffs' protected computer systems without authorization or exceeded authorized access, obtained information, and caused damage or loss.

Claims 5–7 – Violation of California Computer Data Access and Fraud Act (Penal Code § 502): Plaintiffs allege Defendants knowingly accessed, altered, used, interfered with, or disrupted Plaintiffs' computers and data without permission, causing damage and loss.

1 **Claim 8 – Conversion:** Plaintiffs allege Defendants wrongfully took
2 possession of or interfered with Plaintiffs’ property, including digital assets and
3 data.

4
5 **Claim 9 – Copyright Infringement (17 U.S.C. § 501):** Plaintiffs allege
6 Defendants copied and used Plaintiffs’ copyrighted materials without authorization,
7 by allegedly making unauthorized expressions of the Plaintiffs “Fear” motion
8 picture.

9 **B. Elements of Plaintiffs’ Claims and Evidence in Opposition**

10 Claim 1: Breach of Contract

11 **a. Elements**

12
13 To establish breach of contract under California law, Plaintiffs must prove:

- 14 1. Plaintiffs and Defendants entered into a valid and enforceable contract;
15
16 2. Plaintiffs performed or were excused from performing their obligations
17 under the contract;
18
19 3. Defendants breached the contract; and
20
21 4. Plaintiffs suffered damages as a result of Defendants’ breach.

22 *See* Judicial Council of California Civil Jury Instructions CACI No. 303
(2025 edition); *Richman v. Hartley*, 224 Cal.App.4th 1182, 1186. (2014)

23 **b. Key Evidence in Opposition**

24 Testimony from Mr. Angelone that he performed all terms of the contract as
25 required.
26
27
28

Claims 2–4: Violation of the Federal Computer Fraud and Abuse Act
(18 U.S.C. §§ 1030(a)(2)(C) & (a)(5))

a. Elements

To establish a claim under 18 U.S.C. § 1030(a)(2)(C), Plaintiffs must prove:

1. Defendants intentionally accessed a “protected computer”;
2. Defendants did so without authorization or exceeded authorized access;
3. By doing so, Defendants obtained information; and
4. Plaintiffs suffered a compensable “loss,” including at least \$5,000 in a one-year period.

See LVRC Holdings LLC v. Brekka, 581 F.3d 1127, 1132–33 (9th Cir. 2009);
See also 18 U.S.C. §§ 1030(c)(4)(A)(i)(I), 1030(g).

To establish a claim under 18 U.S.C. § 1030(a)(5), Plaintiffs must prove:

1. Defendants knowingly caused the transmission of a command, code, or program OR intentionally accessed a protected computer without authorization;
2. Defendants thereby caused “damage” to the protected computer; and
3. Plaintiffs suffered “loss” as defined by § 1030(e)(11).

See United States v. Nosal, 676 F.3d 854, 858–863 (9th Cir. 2012) (en banc).

b. Key Evidence in Opposition

Expert testimony to the effect that there is no evidence that Defendant intentionally accessed a protected computer without authorization to do so.

1 Expert testimony that Defendant did not obtain information from a computer
2 belonging to Plaintiffs.

3
4 No evidence has been produced to show that Plaintiffs suffered a financial
5 loss, or any loss, as a result of any conduct by Defendants.

6 Claims 5–7: Violation of the California Computer Data Access and
7 Fraud Act (Penal Code § 502)

8 **a. Elements**

9
10 To establish a violation of Penal Code § 502, Plaintiffs must prove:

- 11 1. Defendants knowingly accessed, deleted, used, altered, disrupted, or
12 interfered with data, a computer, a computer system, or a computer network;
13
14 2. Defendants acted without permission;
15
16 3. Defendants’ conduct caused damage, disruption, or the removal/alteration of
17 data; and
18
19 4. Plaintiffs suffered damage or loss as a result.

20 *See* Cal. Penal Code § 502(c); *See also Facebook, Inc. v. Power Ventures,*
21 *Inc.*, 844 F.3d 1058, 1066–67 (9th Cir. 2016).

22 **b. Key Evidence in Opposition**

23 Expert testimony to the effect that there is no evidence that Defendant
24 intentionally accessed a protected computer without authorization to do so.

25 Expert testimony that Defendant did not obtain information from a computer
26 belonging to Plaintiffs.
27
28

1 No evidence has been produced to show that Plaintiffs suffered a financial
2 loss, or any loss, as a result of any conduct by Defendants.

3
4 Claim 8: Conversion

5 **a. Elements**

6 To establish conversion, Plaintiffs must prove:

- 7
- 8 1. Plaintiffs owned or had a right to possess specific property (including digital
9 assets or data);
 - 10 2. Defendants intentionally took possession of, used, or interfered with that
11 property;
 - 12 3. Plaintiffs did not consent;
 - 13 4. Plaintiffs were harmed; and
 - 14 5. Defendants' conduct was a substantial factor in causing Plaintiffs' harm.

15 See Judicial Council of California Civil Jury Instructions CACI No. 2100
16 (2025 edition); *Burlesci v. Petersen*, 68 Cal.App.4th 1062, 1066 (1998).

17
18 **b. Key Evidence in Opposition**

19
20 Expert testimony to the effect that there is no evidence that Defendant
21 intentionally accessed a protected computer without authorization to do so.

22 Expert testimony that Defendant did not obtain information from a computer
23 belonging to Plaintiffs.

24
25 No evidence has been produced to show that Plaintiffs suffered a financial
26 loss, or any loss, as a result of any conduct by Defendants..

27 Claim 9: Copyright Infringement (17 U.S.C. § 501)

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a. Elements

To establish copyright infringement, Plaintiffs must prove:

1. Plaintiffs own valid copyrights in the works at issue;
2. Defendants copied protected elements of the copyrighted works;
3. Defendants' conduct infringed one or more exclusive rights under 17 U.S.C. § 106; and
4. Plaintiffs suffered harm or Defendants obtained a benefit from the infringement.

See Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361 (1991);
See also Three Boys Music Corp. v. Bolton, 212 F.3d 477, 481 (9th Cir. 2000).

b. Key Evidence in Opposition

Testimony by Mr. Angelone that Plaintiff were aware and consented to the creation by Mr. Angelone to the Fear game.

II. DEFENDANTS' AFFIRMATIVE DEFENSES

A. Summary of Affirmative Defenses Defendants Plan to Pursue

Defendants intend to pursue the following affirmative defenses at trial in response to Plaintiffs' claims:

Affirmative Defense 1 – Failure to Mitigate: Defendants contend that any damages suffered by Plaintiffs were increased or caused by Plaintiffs' own failure to take reasonable steps to avoid or reduce such damages, including by failure to secure their own computer systems and back up important data.

Affirmative Defense 2 – Waiver, Consent, Ratification, and Acquiescence: Defendants contend that Plaintiffs, by their conduct, expressly or

1 impliedly consented to, ratified, or acquiesced in the acts now challenged, thereby
2 waiving some or all of their claims.

3
4 **Affirmative Defense 3 – Estoppel:** Defendants contend that Plaintiffs are
5 estopped from asserting their claims because Defendants reasonably relied on
6 Plaintiffs’ statements, conduct, and omissions to their detriment.

7 **Affirmative Defense 4 – Comparative Fault / Fault of Others:**
8 Defendants contend that some or all of the alleged damages were caused by
9 Plaintiffs’ own acts or omissions and/or the acts or omissions of third parties, and
10 any recovery must be reduced or barred accordingly.

11 **Affirmative Defense 5 – Offset / Prior Payment:** Defendants contend that
12 any recovery by Plaintiffs must be reduced or offset by amounts already paid or by
13 amounts Plaintiffs owe Defendants for services, work, and value conferred.

14 **Affirmative Defense 6 – Fraud and Concealment by Plaintiffs:**
15 Defendants contend that Plaintiffs’ own fraud, misrepresentations, and
16 concealment of material facts induced or contributed to the conduct now alleged
17 and bar or limit Plaintiffs’ recovery.

18
19 **Affirmative Defense 7 – Breach of the Covenant of Good Faith and Fair**
20 **Dealing by Plaintiffs:** Defendants contend that Plaintiffs breached the implied
21 covenant of good faith and fair dealing in the parties’ contractual relationship, and
22 Plaintiffs may not enforce the contracts in the manner they now seek.

23 **Affirmative Defense 8 – Unjust Enrichment:** Defendants contend that it
24 would be inequitable and unjust for Plaintiffs to obtain the relief they seek while
25 retaining the benefits of Defendants’ services, work, and intellectual property
26 without fair compensation.

1 **Affirmative Defense 9 – Performance, Discharge, and Excuse (Including**
2 **Impracticability):** Defendants contend they fully performed their obligations or
3 were discharged or excused from further performance (including by Plaintiffs’
4 conduct and impracticability), precluding liability on Plaintiffs’ contract-based
5 theories.

6 **Affirmative Defense 10 – Modification and Novation:** Defendants
7 contend that the parties’ agreements, including the April 26, 2012 agreement, were
8 modified and/or superseded (novated) by later agreements and conduct, such that
9 Plaintiffs’ claims are inconsistent with the operative arrangements.

10 **Affirmative Defense 11 – Lack of Contract Formation / Lack of Mutual**
11 **Assent:** Defendants contend that some or all of the contractual obligations
12 Plaintiffs seek to enforce never validly formed because there was no mutual assent
13 or enforceable agreement as to the terms Plaintiffs now assert.

14
15 **B. Elements Required to Establish Affirmative Defenses**

16
17 **Affirmative Defense 1: Failure to Mitigate**

18 **a. Elements**

19
20 To establish failure to mitigate damages, Defendants must show:

- 21
- 22 1. Plaintiffs suffered damages;
 - 23 2. After the wrongful conduct occurred, Plaintiffs failed to use reasonable
24 efforts to avoid or reduce those damages; and
 - 25 3. The amount by which Plaintiffs’ damages would have been reduced if they
26 had used reasonable efforts to mitigate.
- 27
28

1 *See, e.g.*, Judicial Council of California Civil Jury Instructions CACI No. 3930
2 (2025 edition) (Mitigation of Damages); *Valle de Oro Bank v. Gamboa*, 26
3 Cal.App.4th 1686, 1691–92 (1994).

4
5 **b. Key Evidence in Support**

6 Evidence will include: Plaintiffs’ failure to implement reasonable security,
7 ownership, and access protocols for their domains, Google Workspace, and other
8 systems; failure to timely act upon alleged issues; and Plaintiffs’ decisions that
9 increased their claimed investigation and remediation costs rather than reasonably
10 limiting them.

11
12 Affirmative Defense 2: Waiver, Consent, Ratification, and
13 Acquiescence

14
15 **a. Elements**

16 To establish waiver/consent/ratification/acquiescence, Defendants must show:

- 17
18 1. Plaintiffs knew of their rights or of the material facts relating to Defendants’
19 conduct;
20 2. Plaintiffs, with that knowledge, intentionally relinquished those rights or
21 knowingly consented to or accepted Defendants’ conduct (expressly or
22 impliedly); and
23 3. Plaintiffs’ waiver, consent, ratification, or acquiescence bars or limits the
24 claims they now assert.

1 See Judicial Council of California Civil Jury Instructions CACI No. 336 (2025
2 edition) (Waiver); *Waller v. Truck Ins. Exchange, Inc.*, 11 Cal.4th 1, 31 (1995)
3 (waiver is the intentional relinquishment of a known right).
4

5 **b. Key Evidence in Support**

6 Evidence will include: Plaintiffs' provision of log-in credentials and ongoing
7 authorization for Defendants to manage domains, Google accounts, and social
8 media; Plaintiffs' knowing use and benefit of Defendants' work (including the
9 "Fear" marketing campaign and related assets) without objection; and
10 communications acknowledging Defendants' ongoing role and access.
11

12 Affirmative Defense 3: Estoppel

13 **a. Elements**

14 To establish estoppel, Defendants must show:

- 15
- 16 1. Plaintiffs knew the true facts;
 - 17 2. Plaintiffs intended that Defendants rely on their conduct, or acted such that
18 Defendants had a right to believe Plaintiffs so intended;
 - 19 3. Defendants were ignorant of the true facts; and
 - 20 4. Defendants relied on Plaintiffs' conduct to their detriment.
21

22 See Cal. Evid. Code § 623; *Lentz v. McMahon*, 49 Cal.3d 393, 399 (1989).
23

24 **b. Key Evidence in Support**

25 Evidence will include: Plaintiffs' representations and conduct suggesting
26 that Defendants' access to domains, systems, and copyrighted materials was
27
28

1 authorized; Plaintiffs’ direction to develop and deploy digital marketing tied to the
2 “Fear” film; and Defendants’ reliance on those representations in incurring time,
3 expense, and obligations that Plaintiffs now challenge.
4

5 Affirmative Defense 4: Comparative Fault / Fault of Others

6 **a. Elements**
7

8 To establish comparative fault or fault of others, Defendants must show:
9

- 10 1. Plaintiffs suffered damages;
11 2. The negligence, fault, or conduct of Plaintiffs and/or third parties was a
12 substantial factor in causing those damages; and
13 3. Any liability of Defendants should be reduced or eliminated in proportion to
14 that comparative fault.

15 See *Li v. Yellow Cab Co.*, 13 Cal.3d 804, 813–18 (1975); Judicial Council of
16 California Civil Jury Instructions CACI No. 405 (2025 edition) (Comparative
17 Fault).
18

19 **b. Key Evidence in Support**

20 Evidence will include: Plaintiffs’ and third parties’ failure to secure
21 credentials and systems; Plaintiffs’ own decisions regarding ownership,
22 administration, and control of online assets; and any third-party interference with
23 systems or intellectual property that Plaintiffs attribute solely to Defendants.
24

25 Affirmative Defense 5: Offset / Prior Payment

26 **a. Elements**
27
28

To establish offset or setoff, Defendants must show:

1. Plaintiffs seek monetary recovery from Defendants;
2. Plaintiffs are indebted to Defendants or Defendants have valid countervailing monetary claims arising from related transactions or obligations; and
3. Any judgment in favor of Plaintiffs should be reduced by the amount of such indebtedness or prior payments.

See, e.g., *Granberry v. Islay Investments*, 9 Cal.4th 738, 744–45 (1995) (recognizing equitable setoff).

b. Key Evidence in Support

Evidence will include: invoices, communications, and accounting records reflecting unpaid amounts owed by Plaintiffs to Defendants for web development, maintenance, digital marketing, and related services; and any prior payments or benefits already conferred that should reduce any award.

Affirmative Defense 6: Fraud and Concealment by Plaintiffs

a. Elements

To establish fraud/concealment as a defense, Defendants must show:

1. Plaintiffs made misrepresentations of material fact or concealed material facts when they had a duty to disclose;
2. Plaintiffs knew the representations were false or made them recklessly, and/or intentionally concealed material information;

3. Plaintiffs intended Defendants to rely on those misrepresentations or concealments;
4. Defendants reasonably relied on the misrepresentations or were harmed by the concealment; and
5. As a result, Plaintiffs are barred or limited from obtaining the relief they seek.

See Judicial Council of California Civil Jury Instructions CACI Nos. 1900, 1901, 1902 (2025 edition) (fraud/false promise); Cal. Civ. Code §§ 1572, 1709–1710.

b. Key Evidence in Support

Evidence will include: Plaintiffs’ statements and omissions regarding their intentions for the “Fear” campaign, copyright ownership, and future compensation; misrepresentations concerning Defendants’ ownership interests in Hyper Engine; and Plaintiffs’ failure to disclose material facts about their use and control of intellectual property and systems while encouraging Defendants’ continued work.

Affirmative Defense 7: Breach of the Covenant of Good Faith and Fair Dealing by Plaintiffs

a. Elements

To establish Plaintiffs’ breach of the implied covenant of good faith and fair dealing as a defense, Defendants must show:

1. A valid contract existed between Plaintiffs and Defendants;

2. Plaintiffs unfairly interfered with Defendants’ right to receive the benefits of the contract; and
3. Plaintiffs’ breach of the covenant bars or limits their ability to enforce the contract-based claims they now assert.

See Judicial Council of California Civil Jury Instructions CACI No. 325 (2025 edition); *Carma Developers (Cal.), Inc. v. Marathon Dev. Cal., Inc.*, 2 Cal.4th 342, 372–73 (1992).

b. Key Evidence in Support

Evidence will include: Plaintiffs’ efforts to extend or reinterpret the 2012 Agreement beyond its scope while treating it as terminated; Plaintiffs’ refusal to pay for services while continuing to demand and benefit from those services; and Plaintiffs’ conduct undermining Defendants’ ability to realize the benefits of the parties’ bargain.

Affirmative Defense 8: Unjust Enrichment

a. Elements

Used as a defense, unjust enrichment requires showing:

1. Plaintiffs received a benefit, including services, intellectual property, or other value from Defendants;
2. Plaintiffs retained that benefit under circumstances making it unjust for them to obtain further recovery without compensating Defendants; and
3. Equity requires that any recovery by Plaintiffs be reduced or barred to avoid an unfair windfall.

1 See Judicial Council of California Civil Jury Instructions CACI No. 375
2 (2025 edition); *Ghirardo v. Antonioli*, 14 Cal.4th 39, 51 (1996).
3

4 **b. Key Evidence in Support**

5 Evidence will include: Defendants' development of websites, digital assets,
6 and marketing campaigns (including for "Fear"); Plaintiffs' continued use and
7 benefit of that work without full payment; and Plaintiffs' attempt to obtain further
8 relief while retaining those benefits.
9

10 Affirmative Defense 9: Performance, Discharge, and Excuse

11 **a. Elements**

12 To establish performance, discharge, and excuse, Defendants must show:
13

- 14
- 15 1. Defendants fully performed the obligations imposed by any enforceable
16 contract, **or** were discharged from further performance;
 - 17 2. Any nonperformance was excused by Plaintiffs' material breach, prevention
18 of performance, or by circumstances rendering performance impracticable or
19 impossible; and
 - 20 3. In light of such performance, discharge, or excuse, Plaintiffs are not entitled
21 to the relief they seek.

22 See Cal. Civ. Code §§ 1473 (performance), 1511 (excuse of performance);
23 Judicial Council of California Civil Jury Instructions CACI Nos. 312, 313, 324
24 (2025 edition).
25

26 **b. Key Evidence in Support**
27
28

1 Evidence will include: the 2012 Agreement; Deon Taylor's October 22,
2 2013 email and related communications acknowledging completion of work;
3 evidence of Plaintiffs' nonpayment and conflicting instructions; and circumstances
4 making additional performance impracticable or unnecessary.
5

6 Affirmative Defense 10: Modification and Novation

7
8 **a. Elements**

9 To establish modification, Defendants must show:

- 10
11 1. A prior valid contract existed;
12 2. The parties agreed to change one or more terms of that contract; and
13 3. The contract, as modified, is the operative agreement.

14 See Cal. Civ. Code § 1698; CACI No. 313.

15
16 To establish novation, Defendants must show:

- 17 1. A previous valid obligation;
18 2. Agreement of all parties to a new contract;
19 3. Extinguishment of the old obligation; and
20 4. A valid new contract.
21

22 See Cal. Civ. Code §§ 1530–1531; CACI No. 337.

23
24 **b. Key Evidence in Support**

25 Evidence will include: communications after the 2012 Agreement indicating
26 completion and termination of that agreement; the parties' subsequent course of
27
28

1 dealing regarding later services and projects; and the absence of any written
2 extension of the 2012 Agreement to the later work Plaintiffs now place at issue.
3

4 Affirmative Defense 11: Lack of Contract Formation / Lack of Mutual
5 Assent

6
7 **a. Elements**

8 To establish lack of formation/mutual assent, Defendants must show:

- 9
10 1. For some or all of the obligations Plaintiffs seek to enforce, there was no
11 mutual assent (no meeting of the minds) as to the essential terms;
12 2. As a result, no enforceable contract existed covering the conduct Plaintiffs
13 challenge; and
14 3. Plaintiffs therefore cannot recover on contract-based theories for that
15 conduct.

16 See Cal. Civ. Code §§ 1550, 1565; Judicial Council of California Civil Jury
17 Instructions CACI Nos. 302, 314 (2025 edition)
18

19 **b. Key Evidence in Support**

20 Evidence will include: the limited scope of the 2012 Agreement; the absence
21 of any written or clearly agreed modifications extending that agreement to later
22 projects, domains, or campaigns; and communications showing the parties did not
23 mutually assent to apply the 2012 Agreement to all of the services and conduct
24 Plaintiffs now contend are governed by it.
25

26 **III. DEFENDANTS' COUNTERCLAIMS**

27 **A. Summary of Claims Counterclaimants Intend to Pursue**
28

1 Defendants and Counterclaimants Darrick Angelone, AONE Creative, LLC,
2 and On Chain Innovations, LLC (collectively, “Counterclaimants”) have asserted
3 seven causes of action against Plaintiffs and Counterclaim-Defendants Deon
4 Taylor, Hidden Empire Holdings LLC, and Hyper Engine LLC; and Third-Party
5 Defendant Roxanne Taylor (collectively, “Counter-Defendants”), arising from the
6 parties’ oral operating agreement and their course of dealings regarding Hyper
7 Engine and related film and media projects. Counterclaimants intend to pursue the
8 following claims at trial:

9
10 **Claim 1 – Breach of Express Oral Contract:** Counterclaimants allege
11 Counter-Defendants breached an express operating agreement concerning
12 ownership interests and profit participation in Hyper Engine.

13 **Claim 2 – Breach of Implied Contract:** Counterclaimants allege the
14 parties’ conduct and course of dealing created an implied-in-fact operating
15 agreement that Counter-Defendants breached by withholding agreed-upon
16 ownership or compensation.

17 **Claim 3 – Breach of Fiduciary Duty:** Counterclaimants allege Counter-
18 Defendants owed fiduciary duties as business partners or co-owners and breached
19 those duties by, *inter alia*, diverting company opportunities, concealing financial
20 information, and excluding Counterclaimants from management.

21
22 **Claim 4 – Promissory Fraud:** Counterclaimants allege Counter-Defendants
23 made promises regarding ownership and compensation without intent to perform,
24 inducing Counterclaimants to provide services, resources, and support in
25 detrimental reliance on said promises.

1 **Claim 5 – Unjust Enrichment:** Counterclaimants allege Counter-
2 Defendants were unjustly enriched by receiving substantial services, value, and
3 benefits from Counterclaimants without providing just compensation.
4

5 **Claim 6 – Declaratory Relief:** Counterclaimants allege an actual
6 controversy exists concerning the parties’ rights and obligations under their
7 operating agreement, including ownership percentages and profit rights.

8 **Claim 7 – Quantum Meruit:** Counterclaimants allege they provided
9 valuable services to Counter-Defendants with the expectation of compensation,
10 and Counter-Defendants accepted those benefits without paying their reasonable
11 value.

12 **B. Elements of Counterclaimants’ Claims and Evidence in Support**
13

14 Claim 1: Breach of Express Oral Contract

15 **a. Elements**

16 To establish breach of express oral contract under California law,
17 Counterclaimants must prove:
18

- 19 1. Counterclaimants and Counter-Defendants entered into a valid and
20 enforceable oral contract whose material terms were sufficiently definite;
- 21 2. Counterclaimants did all, or substantially all, of the things that the
22 contract required them to do, or were excused from doing so;
- 23 3. Counter-Defendants failed to do something that the contract required
24 them to do;
- 25 4. Counterclaimants were harmed; and
- 26 5. Counter-Defendants’ breach was a substantial factor in causing
27 Counterclaimants’ harm.
28

1 See Judicial Council of California Civil Jury Instructions CACI No. 303
2 (2025 edition); *Richman v. Hartley*, 224 Cal.App.4th 1182, 1186. (2014)

3
4 **b. Key Evidence in Support**

5 The evidence will show that Counterclaimants and Counter-Defendants
6 entered into an express oral operating agreement in which Angelone was granted a
7 one-third (33.33%) ownership interest in Hyper Engine, along with corresponding
8 rights to profit participation and involvement in business decisions. To support this
9 contention, Counterclaimants will present written copies of the Hyper Engine
10 operating agreement which grant certain ownership interests to Counterclaimants,
11 including (1) a March 1, 2018 Hyper Engine operating agreement (executed by
12 Roxanne Taylor); and (2) a December 1, 2019 Hyper Engine operating agreement
13 (executed by Deon Taylor). This express agreement is further substantiated by
14 years of communications where Deon and Roxanne Taylor repeatedly
15 acknowledged Angelone’s ownership stake, described him as a “partner,” and
16 represented to third parties that Angelone and his entities were part of the Hyper
17 Engine leadership team. The parties’ substantial course of performance—including
18 Angelone’s direct contributions to brand strategy, marketing campaigns,
19 technology infrastructure, pitch decks, and investor-facing materials—further
20 confirms the parties’ express agreement. Evidence will also show that Counter-
21 Defendants breached that agreement by excluding Counterclaimants from
22 ownership records, profits, distributions, and corporate decisions; refusing to
23 recognize Angelone’s one-third interest; and diverting corporate opportunities
24 without his consent. Damages will be shown through, *inter alia*, lost ownership
25 value, lost profits, the value of diverted opportunities, and uncompensated services
26 tied directly to the parties’ express oral bargain.

27 Claim 2: Breach of Implied Contract
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a. Elements

To establish a claim for Breach of Implied Contract, Counterclaimants must prove the same elements as to an express breach of contract (See Claim 1: Breach of Express Oral Contract, *supra*.)

“An implied-in-fact contract is based on the conduct of the parties. Like an express contract, an implied-in-fact contract requires an ascertained agreement of the parties.” *Unilab Corp. v. Angeles-IPA*, 244 Cal.App.4th 622, 636, internal citation omitted, (2016). “As to the basic elements [of a contract cause of action], there is no difference between an express and implied contract. . . . While an implied in fact contract may be inferred from the conduct, situation or mutual relation of the parties, the very heart of this kind of agreement is an intent to promise.” *Division of Labor Law Enforcement v. Transpacific Transportation Co.* 69 Cal.App.3d 268, 275 (1977); see also *Friedman v. Friedman*, 20 Cal.App.4th 876, 888. (1993).

b. Key Evidence in Support

In the alternative, the evidence will show that an implied-in-fact contract arose from the parties’ conduct, relationship, and repeated dealings over many years. Counterclaimants worked continuously as Hyper Engine’s marketing, branding, and digital strategy arm, undertaking significant work (including the “Fear” promotional campaign, website construction and administration, social-media infrastructure, and film-related digital assets) with the knowledge and expectation that they were acting in partnership with the Taylors and would receive the ownership and compensation previously promised. Counter-Defendants knowingly accepted and benefited from this work without objection, and repeatedly encouraged Counterclaimants’ continued involvement. These acts, taken

1 together, establish a mutual intent to promise and confirm the existence of an
2 implied contract, which Counter-Defendants breached in the same manner as
3 described in Claim 1
4

5 Claim 3: Breach of Fiduciary Duty

6 **a. Elements**

7 To establish breach of fiduciary duty, Counterclaimants must prove:
8

- 9 1. A fiduciary relationship existed between Counterclaimants and one or more
10 Counter-Defendants;
11 2. Counter-Defendants breached one or more fiduciary duties owed to
12 Counterclaimants;
13 3. Counterclaimants were harmed; and
14 4. Counter-Defendants' breach of fiduciary duty was a substantial factor in
15 causing Counterclaimants' harm.
16

17 *See* Judicial Council of California Civil Jury Instructions CACI No. 4102
18 (2025 edition); *Shopoff & Cavallo LLP v. Hyon*, 167 Cal.App.4th 1489, 1509
19 (2008).

20 **b. Key Evidence in Support**

21
22 The evidence will show that Angelone's one-third ownership in Hyper
23 Engine and the parties' joint venture-style arrangement created a fiduciary
24 relationship requiring loyalty, full disclosure, and fair dealing. Counterclaimants
25 will present communications where Deon and Roxanne Taylor represented that
26 Angelone was a founding partner, shared ownership, and was entitled to participate
27 in core decisions. Despite these obligations, Counter-Defendants diverted business
28

opportunities, concealed financial information, misrepresented the ownership structure to third parties, and excluded Angelone from corporate governance and profit distributions. Evidence will also show that Counter-Defendants used Hyper Engine opportunities and assets (including intellectual property, brand collateral, investor-facing materials, and digital infrastructure) for their own personal benefit or through other affiliated entities, without disclosure or consent. As a result, Angelone suffered damages in the form of lost corporate value, lost profits, and exclusion from key business opportunities.

Claim 4: Promissory Fraud

a. Elements

To establish promissory fraud (false promise), Counterclaimants must prove:

1. Counter-Defendants made one or more specific promises to Counterclaimants regarding material terms;
2. At the time the promises were made, Counter-Defendants did not intend to perform them;
3. Counter-Defendants made the promises with the intent to induce Counterclaimants to rely on these promises;
4. Counterclaimants reasonably relied on Counter-Defendants' promises;
5. Counterclaimants' reliance was a substantial factor in causing them to act or refrain from acting;
6. Counter-Defendants did not perform as promised; and
7. As a result, Counterclaimants suffered damages.

1 *See* Judicial Council of California Civil Jury Instructions CACI No. 1902 (2025
2 edition); *See also Beckwith v. Dahl*, 205 Cal.App.4th 1039, 1059-1060 (2012);
3 *Engalla v. Permanente Medical Group, Inc.*, 15 Cal.4th 951, 973-974 (1997).
4

5 **b. Key Evidence in Support**

6 The evidence will show that Counter-Defendants made clear promises to
7 Angelone regarding a one-third ownership interest in Hyper Engine, profit sharing,
8 and compensation for work performed by AONE Creative and On Chain
9 Innovations, but never intended to honor these commitments. Communications and
10 witness testimony will demonstrate that the Taylors made these promises to induce
11 Angelone to continue providing extensive strategic, branding, marketing, and
12 technology services, and to personally fund expenses for various Hyper Engine-
13 related projects. As demonstrated by years of communications and business
14 transactions, Counter-Defendants reaffirmed these promises while concealing their
15 intent to deny Angelone any ownership interest and diverting benefits for
16 themselves. Counterclaimants relied on these promises by investing significant
17 time, resources, and expertise into Hyper Engine and related film and media
18 ventures. Once Counter-Defendants had secured the benefits of that work, they
19 repudiated the promises and began excluding Angelone from the business. The
20 evidence will show that these promises were knowingly false when made and
21 caused substantial damage to Counterclaimants. Evidence in support further
22 includes, but is not limited to, all documents specifically referenced in
23 Counterclaimants' Fourth Cause of Action for Promissory Fraud (Dkt No. 90; ¶¶
24 90-93.)

25 Claim 5: Unjust Enrichment / Restitution

26 **a. Elements**
27
28

1 To obtain restitution based on unjust enrichment, Counterclaimants must show:

- 2
- 3 1. Counter-Defendants received a benefit, including money, services, property,
- 4 or other advantages, from or at the expense of Counterclaimants;
- 5 2. The benefit was conferred under circumstances making it unjust for
- 6 Counter-Defendants to retain it without paying Counterclaimants its
- 7 reasonable value or otherwise making restitution; and
- 8 3. Counterclaimants suffered detriment as a result of Counter-Defendants’
- 9 retention of that benefit without restitution.
- 10

11 *See* Judicial Council of California Civil Jury Instructions CACI No. 375

12 (2025 edition); *See also Professional Tax Appeal v. Kennedy-Wilson Holdings, Inc.*,

13 29 Cal.App.5th 230, 238-242 (2018) (“The elements of a claim for unjust

14 enrichment are receipt of a benefit and unjust retention of the benefit at the

15 expense of another.”)

16 **b. Key Evidence in Support**

17 The evidence will show that Counter-Defendants received substantial

18 benefits from Counterclaimants for which they failed to issue payment, including

19 but not limited to web development, domain and account administration, branding

20 strategy, film-related marketing assets, and technical infrastructure. These services

21 were essential to Hyper Engine’s brand positioning, its digital presence, and the

22 commercial activities of the Taylors’ related entities. Evidence will further

23 demonstrate that Counter-Defendants accepted these services for years without

24 paying the agreed-upon compensation, and in many instances without paying any

25 compensation at all. Counter-Defendants also retained the benefits of marketing

26 materials, pitch decks, investor relations support, and other high-value creative

27 work while simultaneously denying Counterclaimants the ownership rights and

28

1 revenues that induced the work in the first place. Under these circumstances, the
2 retention of these benefits without compensation is inequitable, and restitution or
3 disgorgement is warranted. Key evidence in support includes, but is not limited to
4 several invoices issued by AONE Creative LLC to Counter-Defendants in May to
5 August, 2022, which remain outstanding as of the date of this memorandum (See
6 Dkt No. 90, ¶ 60.)

7
8 Claim 6: Declaratory Relief

9 **a. Elements**

10 To obtain declaratory relief under 28 U.S.C. § 2201 and applicable California law,
11 Counterclaimants must show:

- 12
- 13 1. An actual, present, and justiciable controversy exists between
14 Counterclaimants and Counter-Defendants concerning their respective rights
15 and duties;
 - 16 2. The controversy is of sufficient immediacy and reality to warrant the
17 issuance of a declaratory judgment; and
 - 18 3. A judicial declaration of the parties' respective rights and duties will resolve
19 or clarify the controversy and relieve Counterclaimants from uncertainty and
20 insecurity regarding those rights and duties.

21
22 **b. Key Evidence in Support**

23 A real and immediate controversy exists between the parties concerning
24 Angelone's ownership interest in Hyper Engine, the scope of the parties'
25 contractual and fiduciary obligations, and the parties' respective rights to profits,
26 distributions, and business opportunities. The evidence described above—
27 including express promises, long-standing course of dealings, ownership
28

1 representations, and admissions by the Taylors—demonstrates that
2 Counterclaimants possess a legitimate claim to a one-third interest and contractual
3 rights that Counter-Defendants refuse to recognize. The conflicting positions taken
4 in pleadings, testimony, and communications confirm that judicial clarification is
5 necessary to determine the parties’ respective rights and obligations, resolve
6 ownership and compensation disputes, and guide the parties’ future conduct.

7
8 Claim 7: Quantum Meruit

9 **a. Elements**

10 To recover in quantum meruit, Counterclaimants must prove:

- 11
- 12 1. Counterclaimants performed services, rendered benefits, or conferred value
13 for Counter-Defendants;
 - 14 2. The services or benefits were performed or conferred at Counter-
15 Defendants’ request, or with the understanding and expectation that
16 Counterclaimants would be compensated;
 - 17 3. The services or benefits had a reasonable value; and
 - 18 4. Counter-Defendants failed to pay Counterclaimants the reasonable value of
19 those services or benefits.
20

21 *See* Judicial Council of California Civil Jury Instructions CACI No. 371
22 (2025 edition); *See also E. J. Franks Construction, Inc. v. Sahota*, 226
23 Cal.App.4th 1123, 1127-1128 (2014); *Ochs v. PacifiCare of California*, 115
24 Cal.App.4th 782, 794 (2004).

25 **b. Key Evidence in Support**
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27
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1 The evidence will show that Counterclaimants performed extensive services
2 of substantial value for Hyper Engine and the Taylors, including the creation and
3 management of websites, digital assets, social-media infrastructure, marketing
4 campaigns, investor materials, and branding strategies. These services were
5 performed at the Taylors' request, with their full knowledge, and with a clear
6 understanding that Counterclaimants would be compensated. Counter-Defendants
7 accepted and benefited from these services for years, incorporating the work into
8 ongoing film, media, and business operations. Evidence of unpaid invoices,
9 communications confirming reliance on Counterclaimants' expertise, and the value
10 of digital assets created will establish the reasonable value of the services
11 conferred and the unjust failure by Counter-Defendants to pay for those benefits.
12

13 **IV. PLAINTIFFS/COUNTER-DEFENDANTS' AFFIRMATIVE DEFENSES**
14 **TO THE COUNTERCLAIMS**

15 At this time, Counterclaimants do not set forth the elements or evidentiary
16 responses to Plaintiffs' and Counter-Defendants' numerous affirmative defenses
17 because it is not yet clear which defenses they intend to pursue at trial. Plaintiffs
18 and Counter-Defendants have asserted dozens of boilerplate and overlapping
19 defenses in their Answer to the Counterclaims and Third-Party Complaint, many of
20 which are legally improper, non-cognizable, or inapplicable to the issues to be
21 tried. Counterclaimants cannot meaningfully address the elements of those
22 defenses or the evidence in opposition. Counterclaimants reserve all rights to
23 address any properly disclosed and triable affirmative defenses in the Final Pretrial
24 Conference, in the proposed jury instructions and verdict forms, and through
25 motions in limine or other pretrial filings as appropriate.

26 **V. DEFENDANTS/COUNTERCLAIMANTS' POSITION ON**
27 **ANTICIPATED EVIDENTIARY ISSUES**
28

1 Counterclaimants anticipate several evidentiary issues are likely to arise at
2 trial and may require motions in limine or advance rulings by the Court. These
3 issues stem largely from Plaintiffs' reliance on unproduced screenshots and
4 cropped digital materials, recurring attempts to refer to the Google Workspace as
5 having been "deleted," and narrative themes that contradict the Court's prior
6 orders. Counterclaimants outline the primary anticipated evidentiary issues below,
7 consistent with Local Rule 16-4.

8
9 **References to a "Deleted" Google Workspace, "Hijacking," or**
10 **Violations of the Preliminary Injunction Order**

11 Plaintiffs repeatedly have described the Google Workspace as having been
12 "deleted," "wiped," or "hijacked," and have suggested that Defendants violated the
13 Preliminary Injunction. These assertions contradict the Court's July 17, 2024
14 sanctions order, which expressly found Plaintiffs failed to prove Angelone deleted
15 or destroyed the Workspace and declined to impose Rule 37€ sanctions.
16 Counterclaimants anticipate seeking an order precluding Plaintiffs, their counsel,
17 and witnesses from making any reference to Workspace "deletion," "hacking,"
18 spoliation, or violations of the PI Order in the presence of the jury absent a prior,
19 admissible evidentiary proffer outside the jury's presence. Such statements carry a
20 substantial risk of unfair prejudice and juror confusion under Rules of Evidence
21 401, 403 - especially in light of the Court's prior findings.

22 **Use of Screenshots, PDF Email Compilations, and Social-Media**
23 **Captures Lacking Native Files**
24

25 Plaintiffs rely heavily on screenshots of text messages, Gmail snippets,
26 cropped dumps of social-media content, and PDF bundles of emails that were not
27 produced in native format during discovery. Many of these items lack metadata,
28

1 full headers, chain-of-custody, or any means of confirming their completeness or
2 authenticity. Counterclaimants anticipate seeking exclusion or strict foundation
3 requirements under Rules 901, 902(11), (13), and (14), as well as Rules 1002–1003
4 and 37(c)(1), before Plaintiffs may introduce or rely upon such materials. This
5 includes requiring that Plaintiffs produce native versions, with metadata, before
6 trial if they intend to rely on those materials in any substantive capacity.

7
8 **Audit-Log, Registrar, and Security-Notification Evidence Without**
9 **Native Technical Data**

10 Plaintiffs routinely characterize various Registrar e-mails, password-reset
11 notices, Google account alerts, and similar digital snippets as “audit logs” proving
12 unauthorized access, despite not producing native audit logs or the technical data
13 required to authenticate or interpret such materials. Counterclaimants anticipate
14 seeking an order precluding argument or testimony about any alleged “access,”
15 “tampering,” “deletion,” or “breach” based on such incomplete or unauthenticated
16 materials, unless Plaintiffs can first establish authenticity through native logs or
17 certified business records under Rules 901 and 902(13) & (14), and demonstrate
18 timely disclosure under Rule 26(a)(1) and (a)(2). Because Plaintiffs did not
19 produce native logs from Google Workspace, Meta, or other platforms,
20 Counterclaimants will argue that such speculative narratives lack foundation and
21 should be barred.

22 **Character Evidence, Propensity Themes, and Inflammatory Rhetoric**
23

24 Counterclaimants anticipate that Plaintiffs may attempt to frame lawful
25 digital-asset creation, NFT deliverables, or the development of the “Fear Game” as
26 “scams” or other disparaging labels that carry a risk of unfair prejudice and are
27 inconsistent with the parties’ communications and course of dealing. Any
28

1 implication that Defendants engaged in improper “crypto” or “NFT” schemes, or
2 any similar character/thematic rhetoric, would constitute impermissible propensity
3 evidence under Rules 401, 403, and 404. Counterclaimants intend to seek
4 exclusion of such characterizations and require Plaintiffs to confine their evidence
5 to the factual record rather than inflammatory descriptors.

6 **Limited Expert-Foundation Issues**

7
8 Counterclaimants anticipate foundational issues concerning reliance by
9 Plaintiffs or Plaintiffs’ experts on unproduced logs, screenshots, or undisclosed
10 forensic materials. To the extent Plaintiffs’ experts attempt to offer user-attribution
11 opinions, recreate access events, or rely on materials not disclosed under Rule
12 26(a)(2), Counterclaimants may seek foundational rulings under Rules 702–703
13 and 403. At this time, Counterclaimants do not seek to broadly exclude Plaintiffs’
14 experts but identify this as a potential evidentiary issue to be addressed through
15 motions in limine or contemporaneous objections as needed.

16 **VI. GERMANE ISSUES OF LAW**

17
18 Counterclaimants presently identify the following issues of law, which are
19 germane to the adjudication of their counterclaims and may require rulings by the
20 Court before or during trial:

21 **Scope and Duration of the April 26, 2012 Agreement**

22 An issue of law exists regarding the proper interpretation of the April 26,
23 2012 written agreement, including whether that contract is limited by its terms to
24 an initial, capped website-development project or whether it can be construed to
25 govern the parties’ later course of dealing through 2018–2022. Counterclaimants’
26 position is that the 2012 Agreement, by its language, subject matter, and
27 termination provisions, does not govern the subsequent Hyper Engine relationship
28

1 and cannot be stretched to cover later work that was the subject of distinct oral and
2 implied agreements.

3
4 **Existence and Enforceability of the Oral/Implied Operating Agreement**
5 **and Ownership Interest**

6 An issue of law exists as to whether the alleged oral and implied operating
7 agreement—under which Angelone was granted a one-third ownership interest and
8 profit participation in Hyper Engine—is enforceable and cognizable under
9 California law. Counterclaimants’ position is that the parties’ express promises and
10 performance conclusively establish an enforceable agreement regarding ownership
11 and profit-sharing, which is further evidenced by two express written operating
12 agreements executed by the parties.

13 **VII. BIFURCATION OF ISSUES**

14
15 Defendants/Counterclaimants do not presently request bifurcation of any
16 issues for trial. Excluding the counterclaim for Declaratory Relief, all of
17 Counterclaimants’ damages claims are legal in nature and appropriate for
18 determination by the jury. The declaratory relief claim, to the extent it seeks
19 equitable determinations regarding ownership interests, governance rights, and
20 other non-monetary relief, is properly decided by the Court following
21 determination of legal issues by the jury. At this time, Counterclaimants do not
22 request bifurcation of punitive damages or any separate equitable phase.
23 Counterclaimants reserve all rights to address the sequencing of equitable issues or
24 remedies at the Final Pretrial Conference should the Court determine that
25 bifurcation of specific issues would promote efficiency or avoid juror confusion.

26 **VIII. DEMAND FOR JURY TRIAL**

Defendants/Counterclaimants made a timely demand for a jury trial in its answer as to all issues so triable.

A. Issues Triable to the Jury

i. Compensatory damages.

B. Issues Triable to the Court

i. Injunctive and declaratory relief

ii. Entitlement to and amount of attorneys' fees

IX. ATTORNEYS' FEES

Defendants intend to seek attorneys' fees if allowable by statute or any contract between the parties, including the April 26, 2012 agreement alleged in Plaintiff' operative complaint.

X. ABANDONMENT ISSUES

Defendants/Counterclaimants do not presently abandon any of their claims or defenses. Defendants are not presently aware of any issues Plaintiffs/Counter-Defendants have abandoned.

Dated: December 1, 2025

**LAW OFFICES OF J.T. FOX,
A Professional Corporation**

By: 

J.T. Fox, Esq.

Attorney for Defendants and
Counterclaimants, DARRICK
ANGELONE; AONE CREATIVE,
LLC, AND ON CHAIN
INNOVATIONS, LLC

CERTIFICATE OF SERVICE

I am employed in Los Angeles County, California. I am over the age of 18 and not a party to this action; my business address is 556 S. Fair Oaks Ave, No. 444, Pasadena, CA 91105. My email address is justin@jtfoxlaw.com.

I certify that on December 1, 2025, I served: **DEFENDANTS AND COUNTERCLAIMANTS' MEMORANDUM OF CONTENTIONS OF LAW AND FACT** on the following parties or counsel of record as follows:

Felton T. Newell, Esq. Newell Law Group PC 1801 Century Park East, 24 th Floor Phone (310) 556-9663 E-mail: felton@newellpc.com ; christine@newellpc.com	<i>Counsel for Plaintiffs</i>
Jeffrey S. Kramer, State Bar No. 094049 Sandra Calin, State Bar No. 100444 KRAMER, DEBOER & KEANE A Limited Liability Partnership Including Professional Corporations 27001 Agoura Road, Suite 350 Calabasas, California 91301 Tel: (818) 657-0255 - Fax: (818) 657-0256 jkramer@kdeklaw.com ; scalin@kdeklaw.com	<i>Co-Counsel for Defendants</i>

By ECF/CM: I electronically filed an accurate copy using the Court's Electronic Court Filing ("ECF") System and service was completed by electronic means by transmittal of a Notice of Electronic Filing on the registered participants of the ECF System.

I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct. Executed at Pasadena, California on December 1, 2025

/s/Justin Kian
Justin Kian